

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<i>In re</i> FTX TRADING LTD., <i>et al.</i> , ¹ Debtors.	: : : : : : : : : : :	Chapter 11 Case No. 22-11068 (JTD) (Jointly Administered)
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**FIRST MONTHLY FEE STATEMENT OF
PATTERSON BELKNAP WEBB & TYLER LLP AS COUNSEL TO THE
EXAMINER FOR COMPENSATION FOR PROFESSIONAL SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED DURING
THE PERIOD FROM MARCH 20, 2024 THROUGH AND INCLUDING APRIL 30, 2024**

Name of Applicant	Patterson Belknap Webb & Tyler LLP
Authorized to Provide Professional Services to	Robert J. Cleary, in his capacity as examiner appointed in these Chapter 11 Cases
Date of Retention	April 19, 2024, <i>nunc pro tunc</i> to March 20, 2024
Period for which compensation and reimbursement is sought	March 20, 2024 through April 30, 2024
Amount of Compensation sought as actual, reasonable and necessary	\$1,709,349.30
80% of Compensation sought as actual, reasonable and necessary	\$1,367,479.44
Amount of Expense Reimbursement sought as actual reasonable and necessary:	\$826.05

This is a(n) ☒ monthly _____ interim _____ final application. No prior application has been filed with respect to this Fee Period.

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification number are 3288 and 4063, respectively. Due to the large number of Debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson's Commercial Complex, Friars Hill Road, St. John's, Antigua and Barbuda.

SUMMARY OF BILLING BY PROFESSIONAL
MARCH 20, 2024 THROUGH AND INCLUDING APRIL 30, 2024

TIMEKEEPER	TITLE	YEAR OF LAW SCHOOL GRADUATION	YEAR OF ADMISSION	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Robert J. Cleary	Of Counsel	1980	1982	\$2,235.00	126.7	\$283,174.50
Robert J. Cleary	Of Counsel	1980	1982	\$1,117.50 ¹	2	\$2,235.00
Of Counsel Total					128.7	\$285,409.50
Peter Harvey	Partner	1982	1984	\$2,080.00	11.1	\$23,088.00
Daniel A. Lowenthal	Partner	1987	1988	\$1,900.00	118	\$224,200.00
Daniel A. Lowenthal	Partner	1987	1988	\$950.00 ¹	2.1	\$1,995.00
H. Gregory Baker	Partner	2004	2005	\$1,680.00	53.8	\$90,384.00
Lauren S. Potter	Partner	2009	2010	\$1,640.00	87	\$142,680.00
Jason Vitullo	Partner	2009	2010	\$1,640.00	87.1	\$142,844.00
Andrew P. Beame	Partner	1996	1997	\$1,640.00	0.8	\$1,312.00
Partner Total					359.9	\$626,503.00
Alvin Li	Associate	2016	2017	\$1,340.00	147	\$196,980.00
Kimberly Black	Associate	2017	2018	\$1,310.00	139	\$182,090.00
Ian Eppler	Associate	2019	2019	\$1,230.00	53	\$65,805.00
William Hayes	Associate	2020	2021	\$1,150.00	120.2	\$138,230.00
Johanna-Sophie Dikkers	Associate	2020	2021	\$1,150.00	131.6	\$151,340.00
Lauren Doxey	Associate	2021	In process	\$1,045.00	88.9	\$92,900.50
David Erroll	Practice Area Associate	2001	2003	\$840.00	115.7	\$97,188.00
Associate Total					795.9	\$924,533.50
Maritza Garcia	Paralegal	N/A	N/A	\$590.00	86.5	\$51,035.00
Shelley Waldron	Electronic Discovery	N/A	N/A	\$785.00	3	\$2,355.00

¹ 50% rate appears where time is charged for non-working travel.

TIMEKEEPER	TITLE	YEAR OF LAW SCHOOL GRADUATION	YEAR OF ADMISSION	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Kit Levine-Flandrup	Electronic Discovery	N/A	N/A	\$645.00	3.6	\$2,322.00
Stephanie Weng	Electronic Discovery	N/A	N/A	\$505.00	4.6	\$2,323.00
Juan Alvarez	Electronic Discovery	N/A	N/A	\$440.00	2.8	\$1,232.00
Roman Kosman- Rimskiy	Electronic Discovery	N/A	N/A	\$440.00	5	\$2,200.00
Samson Tilahun	Electronic Discovery	N/A	N/A	\$440.00	3.1	\$1,364.00
Non Legal Personnel Total					108.6	\$62,831.00
GRAND TOTAL					1,393.1	\$1,899,277.00
LESS 10% DISCOUNT						(\$189,927.70)
TOTAL AMOUNT DUE						\$1,709,349.30

Blended Hourly Rate: \$1,227.01

SUMMARY OF BILLING BY PROJECT CATEGORY
MARCH 20, 2024 THROUGH AND INCLUDING APRIL 30, 2024

PROJECT CATEGORY	HOURS	FEE AMOUNT
Examiner Time	126.7	\$283,174.50
Court Hearings	1	\$1,605.00
Report Preparation and Drafting	338.4	\$458,584.50
Document Requests and Formal Discovery	5.9	\$5,488.50
Non-Working Travel ²	4.1	\$4,230.00
General Case Administration	278.5	\$328,742.00
Examiner Investigation Work	515.4	\$647,500.00
Communications with Parties in Interest	99	\$151,914.00
Billing and Fee Applications	24.1	\$18,038.50
TOTAL		\$1,899,277.00
LESS 10% DISCOUNT		(\$189,927.70)
TOTAL AMOUNT DUE		\$1,709,349.30

SUMMARY OF ACTUAL AND NECESSARY EXPENSES
MARCH 20, 2024 THROUGH AND INCLUDING APRIL 30, 2024

EXPENSE CATEGORY	SERVICE PROVIDER, IF APPLICABLE	AMOUNT
Travel and Expenses	N/A	\$339.25
Local Travel and Fares	N/A	\$46.43
Meals - Overtime	N/A	\$60.00
Conference Room Dining	N/A	\$190.97
Filing Fees / Index Fees	N/A	\$125.00
Reproduction - Copies	N/A	\$64.40
TOTAL		\$826.05

² 50% rate is used when time is charged for non-working travel.

**IN THE UNITED STATES BANKRUPTCY COURT
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**FIRST MONTHLY FEE STATEMENT OF
PATTERSON BELKNAP WEBB & TYLER LLP AS COUNSEL TO THE
EXAMINER FOR COMPENSATION FOR PROFESSIONAL SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED DURING
THE PERIOD FROM MARCH 20, 2024 THROUGH AND INCLUDING APRIL 30, 2024**

Patterson Belknap Webb & Tyler LLP (“Patterson Belknap”), as counsel to Robert J. Cleary, as the examiner (“Examiner”) appointed in the above-captioned bankruptcy cases (the “Chapter 11 Cases”) of FTX Trading Ltd. and certain of its affiliates (collectively, the “Debtors”), hereby submits this first monthly fee statement (the “Monthly Fee Statement”) for compensation for professional services rendered and expenses incurred during the period from March 20, 2024 through and including April 30, 2024 (the “Fee Period”).² In support of the Monthly Fee Statement, Patterson Belknap respectfully states as follows:

The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification number are 3288 and 4063, respectively. Due to the large number of Debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson's Commercial Complex, Friars Hill Road, St. John's, Antigua and Barbuda.

2 This Monthly Fee Statement seeks compensation for professional services rendered to Robert J. Cleary in his capacity as Examiner as well as professional services rendered by Mr. Cleary in his capacity as Examiner. Mr. Cleary spent 126.70 hours performing services as Examiner, including 2.00 hours for non-working travel billed at 50% of Mr. Cleary's stated rate. In total, this Monthly Fee Statement seeks \$285,409.50 for professional services rendered by the Examiner.

BACKGROUND

1. On November 11 and 14, 2022, the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) voluntary petitions for relief under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended or modified from time to time, the “Bankruptcy Code”). The Debtors continue to operate and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Joint administration of the Debtors’ cases (the “Chapter 11 Cases”) was authorized by the Court by entry of an order on November 22, 2022, ECF No. 128. On December 15, 2022, the United States Trustee for Region 3 (the “U.S. Trustee”) appointed an official committee of unsecured creditors in the Chapter 11 Cases (the “Creditors’ Committee”). *See* ECF No. 231.

2. On January 9, 2023, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, ECF No. 435 (the “Interim Compensation Order”).

3. On March 8, 2023, the Court entered the *Order (I) Appointing Fee Examiner and (II) Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses*, ECF No. 834, appointing Katherine Stadler (the “Fee Examiner”) to serve as the fee examiner in these Chapter 11 Cases and establishing certain procedures in connection therewith.

4. On February 23, 2024, the Court entered an order directing the U.S. Trustee to appoint an examiner in these Chapter 11 Cases, ECF No. 7909. On March 20, 2024 (the “Appointment Date”), the Court entered (i) the *Order Approving the Appointment of Examiner*, ECF No. 9882 (the “Appointment Order”) and (ii) the *Order (I) (A) Establishing the Scope, Cost, Degree, and Duration of the Examination and (B) Granting Related Relief; and (II)*

Permitting the Filing of Certain Information Regarding Potential Parties in Interest Under Seal, ECF No. 9883 (the “Examination Scope Order”).

5. On April 1, 2024, the Examiner filed the *Examiner’s (I) Application for an Order Authorizing the Retention and Employment of Patterson Belknap Webb & Tyler LLP as Counsel to the Examiner, Nunc Pro Tunc to the Appointment Date and (II) Motion to File Under Seal Certain Information Regarding Potential Parties in Interest*, ECF No.10870 (the “Retention Application”) seeking authorization to retain and employ Patterson Belknap as counsel to the Examiner, *nunc pro tunc* to the Appointment Date. The Retention Application was approved on April 19, 2024. *See* ECF No. 12256.

6. The Examination Scope Order provides that the Examiner and any professional retained by the Examiner will be compensated pursuant to and in accordance with the Interim Compensation Order, sections 330 and 331 of the Bankruptcy Code, and any other applicable provisions of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

RELIEF REQUESTED

7. By this Monthly Fee Statement, and in accordance with the Interim Compensation Order, Patterson Belknap, as counsel to the Examiner *nunc pro tunc* to the Appointment Date, makes this application for (i) allowance of compensation as an administrative expense of the Debtors’ estates in the amounts of \$1,709,349.30 for reasonable and necessary professional services rendered, (ii) payment of compensation in the amount of \$1,367,479.44 (80% of the total compensation), and (iii) payment of \$826.05 for actual and necessary expenses incurred.

a. Compensation Requested

8. During the Fee Period, Patterson Belknap represented and assisted the Examiner with the discharge of his duties and responsibilities as Examiner pursuant to the Examination Scope Order, other orders of this Court, and applicable law. This work included, among other necessary legal services, the following tasks:

- a. preparing reports, including the report contemplated by the Examination Scope Order;
- b. preparing motions, applications, notices, orders and other documents necessary for the Examiner to discharge his duties as Examiner;
- c. analyzing legal issues in connection with the Examiner's discharge of his duties;
- d. attending and representing the Examiner at the March 20 hearing held before this Court;
- e. communicating with various third-parties and parties-in-interest, including participating in meetings and requesting voluntary document productions; and
- f. assisting with the examination and the review of documents and other materials in connection with the Examiner's investigation;

9. Attached hereto as Exhibit A is a detailed itemization, by project category, of all services performed by Patterson Belknap in connection with the Chapter 11 Cases during the Fee Period. This detailed itemization complies with Local Rule 2016-2 in that each time entry contains a separate time allotment, a description of the type of activity, and the subject matter of the activity. Furthermore, all time is billed in increments of one-tenth of an hour (six minutes), time entries are presented chronologically in categories, and all meetings or hearings are individually identified.

b. Expense Reimbursement

10. During the Fee Period, Patterson Belknap incurred \$826.05 in out-of-pocket expenses. Attached hereto as Exhibit B is a description of the expenses actually incurred by

Patterson Belknap in its performance of services to the Examiner. The expenses are broken down into categories of charges, which may include, among other things, printing, delivery services, transcripts, working meals, overtime or weekend travel, and other expenses. Patterson Belknap is only seeking reimbursement for the actual cost of such expenses in accordance with section 330 of the Bankruptcy Code. Patterson Belknap submits that all expenses incurred were customary, necessary, and related to the Chapter 11 Cases and requests reimbursement of the same through this Monthly Fee Statement.

VALUATION OF SERVICES

11. Patterson Belknap's professionals have expended 1,393.1 hours in connection with the Chapter 11 Cases during the Fee Period.

12. Exhibit A lists out the amount of time spent by each Patterson Belknap professional. Patterson Belknap's hourly rates for this matter are the customary and comparable hourly rates in effect as of January 1, 2024. Given the public-interest nature of this assignment, Patterson Belknap has provided a 10% discount on its fees. The reasonable value of the services rendered by Patterson Belknap as counsel to the Examiner is \$1,709,349.30.

13. Patterson Belknap believes that the time entries attached hereto as Exhibit A and the expense breakdown attached hereto as Exhibit B are each in compliance with the requirements of Local Rule 2016-2.

14. In accordance with section 330 of the Bankruptcy Code, the amount requested by this Monthly Fee Statement is fair and reasonable given the complexities of these Chapter 11 Cases, the time expended, the nature and extent of the services rendered, the value of such services, and the costs of comparable services other than in a case under this title.

CERTIFICATE OF COMPLIANCE AND WAIVER

15. The undersigned representative of Patterson Belknap certifies that he has reviewed the requirements of Local Rule 2016-2 and that the Monthly Fee Statement substantially complies with such rule. To the extent that the Monthly Fee Statement does not comply in all respects with the requirements of Local Rule 2016-2, Patterson Belknap believes such deviations are not material and respectfully requests that any such requirements be waived.

NOTICE AND NO PRIOR REQUEST

16. Notice of this Application/Motion has been given to (a) the U.S. Trustee; (b) the Debtors; (c) the Creditors' Committee; (d) the Fee Examiner.; and (e) all parties that are required to be given notice pursuant to the Interim Compensation Order. In light of the nature of the relief requested and the provisions of the Interim Compensation Order, Patterson Belknap submits that no other or further notice need be provided.

17. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE Patterson Belknap respectfully requests that the Bankruptcy Court
(i) approve the Monthly Fee Statement, and (ii) grant such other and further relief as deemed just
and proper.

Dated: May 16, 2024

Respectfully submitted,

ASHBY & GEDDES, P.A.

By: /s/ Michael D. DeBaecke

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-and-

**PATTERSON BELKNAP WEBB &
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*Counsel to Robert J. Cleary in his capacity
as Chapter 11 Examiner appointed in the
Chapter 11 Cases*